

# Special School Board Meeting

Tuesday, January 21, 2025 6:30 PM

LS-H MS/HS Media Center, 901 Ferry St., Le Sueur, MN 56058

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **APPROVAL OF AGENDA**

4. **NEW BUSINESS**

4.1. Audit Plan

4.2. Le Sueur Planning Grant: Letter of Support

5. **ADJOURN**

STATUTORY OPERATING DEBT PLAN  
FY25

Independent School District #2397  
Le Sueur Henderson Area Public Schools  
100 Kings Way  
Le Sueur, MN 56058  
(507) 665-4601

Proposed Board Approval: January 21, 2025

## 1.0 Introduction and Explanation of Current SOD Position

The Le Sueur Henderson School District wants to provide clarity regarding the district's current financial position. It appears that the district has been classified as being in Statutory Operating Debt (SOD) due to the delay in completing the yearly audit by December 31st, as well as missing the submission deadlines for documentation related to state and federal program draws.

This situation arose primarily due to the district's challenge of hiring four new business managers over the past three years. Unfortunately, the district faced difficulty finding experienced candidates, which resulted in missed crucial deadlines. The most recent business manager only became aware of the missed documentation after it was too late to rectify the situation before the SOD classification was due.

However, I am confident that with the recent hiring of an experienced business manager and the support of the business manager from Kimball—whom I worked closely with in my previous role as superintendent—we are now in a position to demonstrate that the Le Sueur Henderson School District is not in Statutory Operating Debt. The district is committed to sound fiscal management, and the strong partnership with the communities we serve ensures we are well-positioned to navigate the budgeting process and maintain long-term fiscal health.

## 2.1 Student Enrollment Projections

FY2025 enrollment figures are based on the adjusted ADM figures and the resulting pupil unit figures. Actual enrollments are verified monthly throughout the school year, and the EDRS system is updated accordingly. The District holds back a number of students as a rule to allow for any student loss over the course of the year and to prevent overpayment.

FY2025 enrollment figures are based on the actual district enrollment figures from September 2024 and the resulting pupil unit figures.

## 2.2 Unrestricted Revenue Projections (See Excel Spreadsheet Model)

As the audit is finishing up and with the use of an Excel spreadsheet, we can show that the district is not in SOD. The What-If projection model is used for future budgeting purposes and budget revision. As student enrollments change throughout the year, the What-If is updated, and corresponding revenue amounts are entered into the next budget revision. We also utilize the MDE Revenue Projection Model.

## 2.3 Restricted Revenue Projections

These projections are based on past district entitlements or any new funding changes which are allocated to the district.

## 2.4 Staffing

Staffing for the Le Sueur Henderson School District in the future will be based on the following guidelines:

- Programmatic staffing requirements to meet legal regulations.
- Class sizes within the available revenue resources
- Support staff as required by legal regulations (i.e. required in student IEP's)

## 2.5 Expenditure Projections for Unrestricted Expenditures

The District begins the budgeting process in January-February. Administrators are asked to put together suggested positions or programs for reductions if necessary. The Business Manager puts together staffing costs, allowing for increases as needed. Program budgets are reviewed and revised when necessary. The preliminary budget is brought to the School Board for review at their May meeting. The budget is adopted at the June board meeting. The Business Manager begins the process of budget revisions as the school year starts with any changes in staff due to resignations or leaves of absence unknown at the time of budget adoption.

The Expenditure Projections will be based on the following figures:

- Start with the Base Year (FY2024)
- FY2024 ending number for Unrestricted Expenditures
- Following fiscal years will be budgeted according to revenues available and expenditure reductions needed

## 2.6 Expenditure Projections for Restricted Expenditures

The projections will be based on the available Restricted Revenues.

## 2.7 Contingency Budgeting

With a low fund balance available, it is difficult to do any contingency planning. The administration is continually evaluating IEP needs for a paraprofessional time. Should a student who needed a 1:1 para leave the district, the para would then be let go mid-year. If needed, the district will implement a mid-year supply spending freeze if needed. Currently, we allow staff a small window of time in the fall to submit requisitions for needed supplies for 1<sup>st</sup> semester. Another 2-week window is permitted at the beginning of the 2<sup>nd</sup> semester. Requisitions placed outside these two windows or outside the main requisition period for the new school year are scrutinized based on necessity.

The Long-Term Facilities Maintenance funding has been helping the district maintain an old elementary building recently replaced this year. This District's ability to maintain and

improve its facilities while also allowing appropriate expenditures to be covered with capital improvement funds rather than taken out of the general fund has and will continue to help the district maintain financial stability.

## 2.8 School Board and Administrative Roles in the Budgeting Process

The administration is determining the staffing and supply requests together to ensure they are within available revenues. The School Board, via a committee, is directly involved in this process and makes recommendations to the full Board. If the expenditures are not within the available revenues, the Administration and School Board committee determines the reductions needed for the full Board to approve.

## 2.9 Mid-Year Revisions to the Budget

The administration must keep the Board updated on the budget and its status. During the year, the board must be informed of any needed revisions and given a rationale for approving them.

## 3.1 Budgeting – Restricted Expenditures do not exceed Restricted Revenues

Programs that fall under the Restricted Revenues will be reviewed in the budgeting process to ensure the cost falls within them. If not, then costs within the programs must be reduced by either less programming or reduced staffing.

## 3.2 Providing On-Going Financial Information to the School Board

Each month, the board will receive an Expenditure Summary for the prior month. This Summary provides the annual budget figures, year-to-date expenditures, remaining balances, and the year-to-date expenditure percentage.

## 3.3 Administrative Approval of Expenditures

Administrative—Staff fills out requisition forms. Administration examines the request, the reason for the request, and the budget amount available for the request. Approval is given if budget dollars are available or if it is essential for students' education.

## 3.4 School Board Approval of Expenditures

School Board—Each month, the Board receives a listing of all expenditures that have administrative approval. At its meeting, the Board examines these expenditures before giving their approval.

The District will look at ways to continue to grow enrollment and lessen the net loss of students due to open enrollment, which has decreased by nearly 20% over the last two years. The opening of a new elementary building is expected to increase enrollment over the next five years.

Moving into the 2024-2025 school year, the Board approved hiring an experienced business manager. A priority for the District was to promote what the District has to offer the communities and students. A public relations campaign began by collaborating with the local Rotary and Chamber of Commerce. The local stakeholders assisted the district in designing a marketing campaign that promoted both Le Sueur and Henderson and the schools. Located just south of the Twin Cities, within 35 minutes, we can draw new families to our high-performing district, as pointed out by our test scores and the US News recognizing our middle school.

Our new elementary building draws much interest from new families and families who have left the district due to the high-quality facilities we have built.

With the many positive changes in the Le Sueur Henderson School District, student enrollment has stabilized and is showing signs of increasing. The district is focusing on implementing procedures and protocols that will ensure deadlines and submittals are met.

January 16, 2025

United States Secretary of Transportation  
U.S. Department of Transportation  
1200 New Jersey Ave, SE  
Washington, DC 20590

**RE: FY 2025 Rebuilding American Infrastructure with Sustainability and Equity (RAISE)  
Grant Program Application**

Dear Secretary:

On behalf of Le Sueur-Henderson Public Schools, I write to ask for your consideration of the City of Le Sueur's application for funding through the United States Department of Transportation's RAISE Program. If awarded, funding would support the Le Sueur Highway 169 Corridor Study, which would develop a comprehensive vision for transportation improvements along the U.S. 169 (US-169) corridor in Le Sueur, Minnesota; examining traffic operations, infrastructure conditions, infrastructure resiliency, and safety concerns along the highway.

Students, parents, and staff of Le Sueur-Henderson Public Schools rely on the local transportation system, including US-169 to safely access area schools every day. There is a long-standing identified need for a transportation study along this corridor. Aging roadways, high crash rates, recent flooding concerns, and business development needs make it vital for the city to move forward with the planning process. Enhanced infrastructure can reduce congestion and travel times, making it easier for students to arrive on time and reducing stress for parents. Improved road conditions also support the safety of students, parents, and staff by managing vehicle speeds, reducing conflict points, and providing trails for pedestrians and bicyclists.

The proposed study will examine and assess traffic operations, infrastructure conditions, and safety concerns along the corridor to make recommendations for future improvements. Improvements to the US-169 corridor would ultimately enhance traffic operations and safety in the region, boost mobility, reduce congestion, and spur economic activity in the region. If approved, the Le Sueur Highway 169 Corridor Study would support the needs of the school district by reducing traffic congestion, increasing the roadway's reliability, and addressing flooding and roadway closure concerns from the Minnesota River.

For these reasons, I support the City of Le Sueur's application for funding through the RAISE program. I look forward to the study and any future implementation projects that result.

Sincerely,

[Name]

[Title]